



## UNEMPLOYMENT INSURANCE - OVERVIEW

Residents of Arizona wishing to apply for unemployment benefits must do so through the **Arizona Department of Economic Security (AZ DES)**. Visit their webpage on [Unemployment Insurance Benefits](#).

AZ DES has announced the Pandemic Unemployment Assistance Program is live as of May 12, 2020. Applications will be processed beginning the week of May 12 and payments will begin for eligible claimants that same week. For more information on this, click [here](#).

To file an unemployment application, click [here](#).

- For a step-by-step guide on how to apply for Unemployment Insurance Benefits, click [here](#).

If you have questions on your specific eligibility circumstances or your claim has been denied and you believe your claim is eligible, please call DES at **1-877-600-2722**. DES is expecting higher than normal wait times, at this time.

**Unemployment benefits are administered at the state level through the Department of Economic Security. Your state-level representatives will have a direct liaison to DES, and can be an additional resource for you to utilize if you are having DES-related problems or questions with your UI benefits. If you do not know your state-level representatives at the State Legislature in Phoenix, [click here](#) to find them.**

You can also visit the **U.S. Department of Labor** page on [recently announced guidance on unemployment insurance flexibilities](#) during COVID-19 outbreak and [further guidance on Federal Pandemic Unemployment Compensation](#).

**President Trump announced Executive Orders on August 8<sup>th</sup>, 2020 that makes \$44 billion from FEMA's Disaster Relief Fund to provide financial assistance to Americans who have lost wages due to the COVID-19 pandemic. On Friday, August 14<sup>th</sup> Governor Ducey announced he is requesting assistance for Arizona, and FEMA accepted his request on Saturday.**

**Retroactive to August 1<sup>st</sup>, 2020, this is an extra \$300 per week benefit provided by federal dollars – on top of the state-provided \$240 – for a weekly total of up to \$540. This is for individuals who qualify for UI or are currently receiving UI benefits, and applies to all traditional UI, PUA, PEUC and others. If you are currently receiving UI or PUA assistance, you do not need to do anything differently to receive the extra \$300 p/week benefit, and should continue filing weekly claims as usual. DES announced on August 17<sup>th</sup>, 2020 that they have started sending out enhanced payments this week.**

On March 27<sup>th</sup>, 2020, President Trump signed into law the CARES Act. This legislation dedicates \$250 billion to give workers more access to unemployment benefits during this time.



## **FREQUENTLY ASKED QUESTIONS**

### **What Does the CARES Act do?**

The CARES Act creates a temporary Pandemic Unemployment Assistance Program. This expands coverage to more workers, including self-employed, contractors, furloughed workers, and other workers that normally do not qualify for unemployment benefits.

It increases by \$600 per/week Arizonans' unemployment and partial unemployment benefits for the next four months.

Currently, Arizona unemployment benefits are available for 26 weeks. For those who need insurance because they are still unemployed at the end of 26 weeks, the CARES Act has expanded unemployment benefits to be available for an additional 13 weeks.

### **Who is eligible?**

Federal law allows states to pay benefits where:

- (1) An employer temporarily ceases operations due to COVID-19, preventing employees from coming to work;
- (2) An individual is quarantined with the expectation of returning to work after the quarantine is over; and
- (3) An individual leaves employment due to a risk of exposure or infection or to care for a family member.

In addition, federal law does not require an employee to quit in order to receive benefits due to the impact of COVID-19.

Individuals impacted by Covid-19 are encouraged to apply for Unemployment Insurance Benefits, per the Arizona Department of Economic Security (AZDES):

- Individuals whose employer has permanently or temporarily ceased or drastically reduced operations due to COVID-19 resulting in a reduction of wages;
- Individuals who, due to requirements that the individual be quarantined, are separated from employment and do not have any available paid leave even if the individual has an expectation of returning to work after the quarantine is over;
- Individuals who leave employment due to a risk of exposure or infection and are a member of a population that is particularly susceptible to COVID-19;
- Individuals who leave employment to care for a family member who has been infected with COVID-19;  
or



- Individuals who for any other scenario are separated from work for reasons related to COVID-19.

### **Pandemic Unemployment Assistance program**

The Pandemic Unemployment Assistance program launched on **May 12, 2020**. Applications will begin being processed the week of May 12, 2020. For more information, and to file a PUA claim, click [here](#).

Under the CARES Act, the Pandemic Unemployment Assistance (PUA) temporary program was created for those individuals that do not typically qualify for traditional unemployment benefits. This includes individuals who are monetarily ineligible, self-employed, part-time workers, and others. Per DES, in order to receive additional payments, these individuals must both update their initial claim in the PUA system and file weekly certifications beginning May 17.

### **Are self-employed and independent contractors eligible?**

Generally, yes. Self-employed and independent contractors, including gig economy workers and others that are normally not eligible for traditional Unemployment Insurance payments should be eligible for the PUA program mentioned above.

### **I was furloughed from my job or have had my hours reduced. Am I eligible for assistance?**

Most likely. If an employer has furloughed workers, those workers will likely then be eligible for unemployment insurance payments. The Pandemic Unemployment Assistance Program helps workers stay connected to their employer where it is possible for an employer to continue to pay an employee's health benefits during a furlough, which would still allow the employee to receive unemployment insurance payments until they are called back to work.

Additionally, if your employer has reduced your hours due to the Covid-19 outbreak that results in a reduction of wages, you may file for partial unemployment benefits, according to AZDES. Workers who qualify for partial unemployment compensation will still receive the full \$600 per week stipend under the CARES Act.

### **How will I know if I qualify?**

AZDES will review each claim and notify you after you file an unemployment application.

Due to the large increase in claims related to Covid-19, processing times may be longer.

### **How much money will I receive?**

In Arizona, individuals who have lost their job through no fault of their own are provided with a weekly stipend of up to \$240.

The CARES Act provides an additional \$600 per week on top of whatever a person would normally receive – limited to the end of July.. The final weekly stipend that will include the \$600 payment from the CARES Act



will be sent out for the week starting July 19<sup>th</sup>, 2020. Starting the week of July 26<sup>th</sup>, claimants will receive only the state-determined level of UI weekly stipends. This applies to individuals receiving regular UI, PUA or PEUC benefits.

**I am already receiving Unemployment Insurance. Do I need to take further action to receive the additional \$600?**

No. If you are already receiving unemployment insurance benefits, you do not need to take any additional action. You should automatically see the extra Pandemic Unemployment Assistance added to your benefits.

**Do I still need to file a weekly claim?**

Yes. In order to maintain benefits, you must continue to file weekly claims with AZDES. Even if you have filed an initial unemployment application and your claim has not yet been adjudicated, or you are appealing your claim outcome, you still need to file a weekly claim. You may do so [here](#).

**Are unemployment benefits taxable and do they count as income?**

Yes. Unemployment insurance benefits are taxable income and they generally count as income when determining eligibility for public assistance programs. The extra \$600 benefit will be taxable (like all unemployment benefits), but it will be disregarded in determining Medicaid or CHIP eligibility.

**Shared Work Program**

The Shared Work program provides an alternative for employers faced with a reduction in force by allowing businesses to divide available work or hours among affected employees in lieu of layoffs, as stated by DES. The program allows the employees to receive a portion of unemployment benefits (including the full FPUC payment of \$600) while working reduced hours, which can range between a 10%-60% reduction in hours.

Employers must apply for this program through DES in order for employees to receive benefits. For more information on Shared Work, including eligibility and program requirements, click [here](#).

**Pandemic Emergency Unemployment Compensation**

The CARES Act created the Pandemic Emergency Unemployment Compensation (PEUC) program, which provides an additional 13 weeks of emergency unemployment benefits for people who remain unemployed after they've exhausted their traditional or PUA unemployment benefits. PEUC is not yet available in Arizona. While federal guidelines have been published, DES is working to implement the program in Arizona. DES has announced the PEUC program will start in Arizona on **June 6<sup>th</sup>, 2020**.

**Additional Resources**





There has been an increase across the nation regarding unemployment fraud, which has led DES to sometimes delay benefits. To report unemployment insurance fraud, or if you believe you are a victim of unemployment insurance fraud, click [here](#).

For more information from AZDES on COVID-19 and Unemployment Insurance Benefits, click [here](#).

On March 24<sup>th</sup>, 2020, Governor Ducey launched Arizona Together. Arizona Together is a centralized website full of official resources to help Arizonans affected by the Covid-19 pandemic. Click [here](#) for more information.

You can find more information on applying for Unemployment Insurance on the **U.S. Department of Labor** [website](#).

## WAGES, HOURS AND LEAVE

You can visit the **U.S. Department of Labor** page on [wages and hourly pay during the COVID-19 crisis](#).

On March 18, 2020, the Families First Coronavirus Response Act was signed into law. This law means small businesses must now meet a number of requirements, including:

- **Qualified Sick Leave Wages**
  - Businesses with fewer than 500 employees must pay up to 80 hours of emergency paid sick leave to full-time employees (pro-rata rules apply to part-time employees) who are home sick from coronavirus, complying with a quarantine, or taking care of an individual who has been infected. This leave also applies to working families who may be forced home due to school closures.
  - Federal government will provide employers with a refundable payroll tax credit of 100 percent of the required wages.
  - Employees are capped at \$200 per day (\$511 per day in the case of employees that are home sick from coronavirus or complying with a quarantine).
- **Qualified Family Leave Wages**
  - Businesses with fewer than 500 employees must provide an additional 12 weeks of paid leave due to caring for a child whose school is closed.
  - The first 2 weeks of the leave, which is covered by the qualified sick leave described above, may be unpaid.
  - During the remaining 10 weeks, the employer will pay 2/3 of the employee's salary, capped at \$200 per day for up to 50 days.
  - Federal government will provide businesses with a refundable payroll tax credit of 100 percent of the required wages.
  - The Secretary of Labor may issue rules to exempt small businesses with fewer than 50 employees from these requirements when the imposition of such requirements would jeopardize the viability of the business as a going concern.



The **U.S. Department of Labor** has published a number of fact sheets and question and answer sheets for small businesses seeking clarification on the new requirements of the Families First Coronavirus Response Act:

- **Fact Sheets**

- [Families First Coronavirus Response Act: Employee Paid Leave Rights](#)
- [Families First Coronavirus Response Act: Employer Paid Leave Requirements](#)

- **Questions and Answers**

- [Families First Coronavirus Response Act: Questions and Answers](#)
- [COVID-19 and the Fair Labor Standards Act: Questions and Answers](#)
- [COVID-19 and the Family and Medical Leave Act: Questions and Answers](#)

The **Internal Revenue Service** has issued guidance on the refundable COVID-19-Related Tax Credits for Required Paid Leave Provided by Small and Midsize Businesses. [Visit the FAQ page.](#)

**As additional information is made available this resource guide will be updated.**